

Message Text

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42

ACTION EB-07

INFO OCT-01 AF-08 EUR-12 IO-13 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 FTC-01 /114 W

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R 141352Z JUL 76

FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC 8305

INFO USMISSION GENEVA

AMEMBASSY PARIS

USDEL MTN GENEVA

OECD PARIS

LIMITED OFFICIAL USE TANANARIVE 1162

REF: (A) STATE 148224, (B) TANANARIVE 0572, (C) TANANARIVE 0482,
(D) 75 TANANARIVE 1349 (NOTAL)

1. THOROUGHGOING SYSTEM OF EXPORT CONTROLS, DUTIES, AND
LICENSES COVERING VIRTUALLY ALL OF MADAGASCAR'S EXPORTS
REPORTED REF D.

2. AS OUTLINED RE D, MOST OF MADAGASCAR'S EXPORT CONTROLS
WERE ORIGINALLY ESTABLISHED TO RAISE FISCAL REVENUE, TO
MAINTAIN DOMESTIC SUPPLIES IN CASE OF SHORTAGES, TO ALIGN
EXPORT PRICES WITH WORLD MARKET PRICES, TO PROTECT NATURAL
RESOURCES, AND THE LIKE. DURING THE PAST YEAR, HOWEVER,
THE GOVERNMENT OF MADAGASCAR (GDRM) HAS BEGUN TO USE ITS
RANGE OF EXPORT CONTROLS TO DIRECT FOREIGN TRADE INTO CHANNELS
DESIRED BY THE GOVERNMENT FOR POLITICAL REASONS. ECONOMY
MINISTER JUSTIN RARIVOSON, ANNOUNCING NEW IMPORT CONTROL SYSTEM
APRIL 3, DECLARED THAT THE GDRM INTENDS TO EXPAND COMMERCIAL
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TIES WITH THE "SOCIALIST" (I.E., COMMUNIST) COUNTRIES. IN

KEEPING WITH THIS POLICY, THE GDRM HAS ALLOCATED AT LEAST 3,000 TONS OF COFFEE FOR EXPORT TO THE USSR THIS YEAR, ALTHOUGH AT LEAST TWO LARGE AMERICAN COFFEE BUYERS HAVE EXPRESSED INTEREST IN BUYING OR INCREASING PURCHASES OF MALAGASY COFFEE AT WORLD MARKET PRICES. ALL MAJOR MALAGASY AGRICULTURAL COMMODITY EXPORTS (NOTABLY COFFEE, VANILLA, AND CLOVES) ARE NOW CONTROLLED BY THE DIRECTORATE OF FOREIGN TRADE IN THE MINISTRY OF THE ECONOMY, WHICH DETERMINES THREE MONTHS TO A YEAR IN ADVANCE OF SHIPMENT WHICH BUYERS WILL GET WHAT QUANTITY AT WHAT PRICE. MOREOVER, WITH SERIES OF NATIONALIZATIONS SINCE AUGUST 1975, UPWARDS OF 80 PERCENT OF MADAGASCAR'S EXPORTS NOW WILL BE HANDLED BY STATE OR STATE-CONTROLLED TRADING FIRMS.

3. TO THE BEST OF OUR KNOWLEDGE, COFFEE IS THE ONLY MALAGASY COMMODITY WHOSE SUPPLY TO THE US HAS PROBABLY BEEN ADVERSELY AFFECTED BY OFFICIAL EXPORT RESTRICTIONS, IN PART AT LEAST. DIVERSION OF SOME MALAGASY COFFEE TO THE USSR THIS YEAR HAS REDUCED SUPPLIES AVAILABLE TO TRADITIONAL MARKETS. WE UNDERSTAND TWO AMERICAN COFFEE-IMPORTING FIRMS HAVE RECEIVED QUOTAS OF MALAGASY COFFEE LESS THAN REQUESTED, BUT NONE HAS COMPLAINED TO THE EMBASSY. EMBASSY HAS MADE CLEAR TO THE GDRM OUR INTERESTS IN ENSURING THAT US COFFEE BUYERS HAVE FAIR ACCESS TO MALAGASY SUPPLIES (REF C).SHEINBAUM

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Control Number: n/a
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Draft Date: 14 JUL 1976
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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ISecure: 1
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Margaret P. Grafeld
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